The Organization of the Variance Report

THE ORGANIZATION OF THE VARIANCE REPORT

This Variance Report contains information pertaining to three periods: The last completed fiscal year (FY 09), the three months ended September 30, 2009, and the nine months ending June 30, 2010. Certain variances, as in Section II, Summary of Expenditure Variances, are described by comparing the data for two complete fiscal years (FY 09 and FY 10) rather than considering FY 10 in terms of three-month and nine-month periods. This Variance Report is organized as follows:

The Program Structure

Most of the organization of the Variance Report is based on the State's Program Structure, in that the information is presented in the order of the program structure. Therefore, the Program Structure is an index to most of the material contained in the document. Because of its importance, it is being reprinted here.

The Program Structure is presented in two different sequences. The first sequence is in program structure number order, grouping all programs by objective. The second sequence is in department (and Program ID) order, showing all the Program ID's for which each department is responsible.

Definition of Terms

This section explains the terms which may be used in this Variance Report, as defined in Chapter 37, HRS, and subsequent revisions.

Summary of Expenditure Variances

This report (Report V51) contains summary expenditure variance information by department. The report contains cost variances by cost categories (Research and Development and Operating). Variances are presented as absolute and percentage differences for FY 09 and FY 10. The report also displays the statewide expenditure variances by department.

Details of Variance for Variances for Each Level of the Program Structure

This section contains certain variance information about each level of the Program Structure, in program structure number order.

The Variance Report (Report V61)

For every level of the Program Structure, a Report V61 will be found, displaying all the variances for the program.

This is a one-page report indicating absolute and percentage variations in expenditure, personnel positions, measures of effectiveness and program size indicators.

a. Cost and Personnel Position Variances

Variances are shown for the Research and Development and Operating cost categories, and the two categories in total (the Capital Investment cost category is not included in the Variance Report) as follows:

1) Absolute and percentage differences between budgeted amounts and actual expenditure amounts, for FY 09.

2) Absolute and percentage differences between budgeted amounts and actual expenditure amounts, for the three months ended September 30, 2009.

3) Absolute and percentage differences between budgeted amounts and estimated expenditure amounts, for the nine months ending June 30, 2010.

b. Measures of Effectiveness Variances

Variances in this section are shown as follows:

1) Absolute and percentage differences between planned amounts and actual amounts, for FY 09.

2) Absolute and percentage differences between planned amounts and estimated amounts, for FY 10.

c. Program Size Indicator (Target Groups and Activities) Variances

Variances in this section are shown as follows:

1) Absolute and percentage differences between planned amounts and actual amounts for FY 09.

2) Absolute and percentage differences between planned amounts and estimated amounts, for FY 10.

d. Narrative Explanations

In accordance with Section 37-75, HRS, any significant differences between budgeted and actual expenditures, positions filled, program size indicators realized, and effectiveness measures occurring during FY 09 are explained in narrative form. Also discussed are the basis upon which the original estimates were formulated and the impact on future costs and effectiveness.

Narratives are provided for all lowest- and highest-level programs but not for Intermediate level programs. The reader is referred to the lowest-level programs comprising that intermediate-level for an explanation of the variances.